



C A L I F O R N I A D E P A R T M E N T O F
Mental Health

February 16, 2005

You are invited to review and respond to this Request for Proposal (RFP), entitled

Systems of Care Fiscal Consultant

RFP # 05-75064-000

In submitting your proposal, you must comply with the following instructions:

Each proposer must submit a Letter of Intent to the State Department of Mental Health (DMH) no later than 4:00 p.m. on March 4, 2005. The Letter of Intent must be submitted by U.S. mail or fax only to:

Rita McCabe-Hax, LCSW
Chief, Medi-Cal Policy and Support Section
Systems of Care
Department of Mental Health
1600 9th Street, Room 100
Sacramento CA 95814
(916) 654-5722
Fax: (916) 654-5591
Rita.McCabe@dmh.ca.gov

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at Internet site www.ols.dgs.ca.gov/standard+language. If you do not have Internet access, a hard copy can be provided by contacting the person listed below.

In the opinion of DMH, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Rita McCabe-Hax, LCSW
Chief, Medi-Cal Policy and Support Section
Systems of Care
Department of Mental Health
1600 9th Street, Room 100
Sacramento CA 95814
(916) 654-5722
Fax: (916) 654-5591
Rita.McCabe@dmh.state.ca.us

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

Original signed by Robert Garcia, Chief Deputy Director on behalf of

TERRIE TATOSIAN
Procurement and Contracting Officer

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I. INTRODUCTION

The State of California Department of Mental Health (DMH) has been expanding its commitment to the planned provision of specialty mental health care in a managed care model of service delivery for Medicaid (Medi-Cal) since 1995. Under the current waiver program, a single managed mental health plan, the county mental health department, is responsible for the administration and provision of services in each county either directly or through contract providers.

The purpose of this Request For Proposal (RFP) is to obtain a contract with a specialized individual or organization to serve as a Systems of Care Fiscal Consultant to assist the DMH with fiscal analyses related to the statewide specialty mental health managed care program and other mental health related programs. DMH will identify a variety of projects and the timeframe for completion of each project. The projects will require budget analysis, cost-benefits analysis, economic analysis and other fiscal related services on a program and/or department basis.

II. ADMINISTRATIVE REQUIREMENTS

This section is included in the RFP to provide bidders with the timelines, guidelines and requirements that must be met for bidders to participate in this competitive bid process.

A. TIME SCHEDULE

Note: This schedule is contingent upon a number of factors, including the availability of funds. Should any significant date be modified, bidders will be notified by DMH.

All bidders are hereby advised of the following schedule and will be expected to adhere to the specified timeframes below:

Bid package to be mailed out to any known prospective bidders and posted on the DMH website	February 16, 2005.
Letters of Intent must be received by DMH	March 4, 2005, 4:00 p.m.
Question must be received by DMH	March 14, 2005, 5:00 p.m.
Bid proposals must be received by DMH	March 29, 2005, 3:00 p.m.
Posting of Notice of Intent to Award	April 6, 2005
Last day to protest award	April 13, 2005
Contract start date	July 1, 2005

B. LETTERS OF INTENT

All bidders who intend to compete for the Systems of Care Fiscal Consultant contract must submit a signed Letter of Intent to DMH. The Letter of Intent must be received by DMH **no later than 4:00 p.m. on March 4, 2005**.

The Letter of Intent is a non-binding document and must include the name and physical address of the individual or agency intending to submit a proposal, phone number, and e-mail address of the contact person.

Letters of Intent not received by DMH by 4:00 p.m. on March 4, 2005 will result in ineligibility to compete in the RFP process. The Letter of Intent may be submitted through U.S. mail or by fax to:

Rita McCabe-Hax, LCSW
Chief, Medi-Cal Policy and Support Section
Systems of Care
Department of Mental Health
1600 9th Street, Room 100
Sacramento CA 95814
(916) 654-5722
Fax: (916) 654-5591
Rita.McCabe@dmh.ca.gov

C. CONTACTS BETWEEN BIDDERS AND DMH

All questions and contact concerning this RFP and timelines shall be directed to Rita McCabe-Hax, Chief, Medi-Cal Policy and Support Section, Systems of Care, by e-mail at Rita.McCabe@dmh.ca.gov or by fax at (916) 654-5591. Questions must be received **no later than 5:00 p.m., on March 14, 2005**. Questions and responses will be provided to all bidders' contact person identified in the Letters of Intent.

D. SUBMISSION OF PROPOSALS

All submitted proposals must include all of the components referenced on the Required Attachment Checklist on page 24 of this RFP. These components must be submitted to:

Department of Mental Health
Contracts Unit
1600 9th Street, Room 150
Sacramento, CA 95814
Attention: Systems of Care Fiscal Consultant RFP

One original and five copies of the entire proposal must be submitted. All components must be bound together in a sealed envelope or box. The envelope or box must be clearly marked with the bidder's name and address and the title of the project for which the proposal is submitted.

Any proposal envelope or box not clearly marked with the name and address of the submitting organization or individual, and the project title which clearly identifies the package as a proposal and/or that is not sent to the above address will be disqualified.

Proposals and modifications, or corrections thereof, received by DMH after 3:00 p.m. March 29, 2005 will not be considered.

The proposal must be in ink or typewritten. To the extent possible, use font size of 12 point. Margins should be at least one-half inch. Paper size should be standard letter size 8 1/2 by 11 inches. No erasures are permitted. Errors may be crossed out and corrections printed in ink or typewritten adjacent to the error. The person signing the proposal must initial the corrections in ink.

E. REJECTION/DISQUALIFICATION

The following shall cause the immediate disqualification of this proposal:

- Any bid proposal not received **by 3:00 p.m. on March 29, 2005** at:

Department of Mental Health
Contracts Unit
1600 9th Street, Room 150
Sacramento, CA 95814
Attention: Systems of Care Fiscal Consultant RFP

- Any proposal not clearly marked with the name and address of the submitting organization or individual and the project title.
- Letter of Intent not received by DMH by 4:00 p.m. on March 4, 2005.
- Failure to complete, sign and submit the "Proposal/Proposer Certification Sheet" provided as Attachment 2 of the RFP.
- Non-compliance with RFP requirements as set forth in Part IV, "Bidder's Work Plan Components and Format."

- The State has cancelled a contract with the bidder organization or individual within the last three years for negative reasons.

In addition, a proposal may be rejected if it is conditional, is incomplete, or contains any alterations of form or other irregularities of sufficient magnitude or quantity to warrant a finding of being substantially non-compliant. Examples include any conditions or stipulations presented in the proposal by the bidder or the bidder's failure to include, or modification of, a required form such as the Proposal/Proposer Certification Sheet.

An immaterial defect is a flaw, incompleteness, defect or condition that is not of the type to warrant disqualification of the proposal. If, in the judgment of the Evaluation Committee, a proposal is found to contain a substantial number of such defects, the committee may declare the proposal to be substantially non-compliant and reject it. Examples include sending the incorrect number of proposals, utilizing a font other than requested or utilizing a script-style font that is difficult to read.

The State may accept or reject any proposals and may waive any immaterial defect in a proposal. The State's waiver of an immaterial defect shall in no way modify the proposal requirements or excuse the bidder from full contract compliance if awarded the contract.

F. PROPOSAL EVALUATION AND CONTRACT AWARD PROCESS

The maximum contract amount is \$100,000 per State fiscal year for three years. The State fiscal year is from July 1 through June 30. The RFP will be evaluated in accordance with the procedures of Public Contract Code (PCC), Section 10344(c). The contract will be scored and awarded in accordance with the selection criteria specified below and subject to the availability of funds. Each of the proposals will be scored based on the weight assigned to each subject matter.

All bidders shall submit a budget detail and budget narrative as part of their cost proposal. The budget information will become a part of the contract document. Following the posting of the Notice of Intent to Award, the State reserves the right to negotiate with the successful bidder any redistribution of costs within the budget deemed necessary by the State in order to better achieve program goals. An unwillingness to negotiate shall be considered grounds for cessation of contract negotiation, which may result in bidder's loss of the contract award.

A multiple stage evaluation process will be used to review and/or score proposals. DMH will reject any proposal that is found to be non-responsive at any stage of evaluation.

Stage 1- Required Attachment Checklist and Minimum Qualifications Review

- 1) Shortly after the proposal submission deadline, DMH will review each proposal for timeliness, completeness, and initial responsiveness to the RFP requirements. This is a pass/fail evaluation.
- 2) In this review stage, DMH shall compare the contents of each proposal to the claims made by the proposer on the Required Attachment Checklist to determine if the proposer's claims are accurate.
- 3) If a proposer's claims on the Required Attachment Checklist cannot be proven or substantiated, the proposal will be deemed non-responsive and rejected from further consideration.

Stage 2- Technical Proposal Scoring

- 1) Proposals that appear to meet the basic requirements (Required Attachment Checklist) as evidenced by passing the Stage 1 review will be submitted to an Evaluation Panel for further consideration.
- 2) The Evaluation Panel will individually and/or as a team review, evaluate and numerically score the technical components of the proposal (hereafter referred to as the "Technical Proposal") based on the proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.
- 3) In assigning points for individual evaluation components, evaluators may consider issues including, but not limited to, the extent to which a proposal response:
 - Is lacking information, lacking depth or breadth, or lacking significant facts and/or details, and/or;
 - Is fully developed, comprehensive and has few, if any, weaknesses, defects or deficiencies, and;
 - Demonstrates that the proposer understands DMH's needs, the services sought, and/or the contractor's responsibilities, and;
 - Illustrates the proposer's capability to perform all services and meet all scope of work requirements, and;
 - Contributes to the achievement of DMH's goals and objectives if implemented, and;
 - Demonstrates the proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods, creative or innovative business solutions, etc.).

- 4) Below are the point values for each Technical Proposal evaluation component that will be scored. A maximum of **70** possible points may be achieved in this stage and a minimum of 54 points must be achieved to be considered a responsive proposal. In addition, to be considered a responsive proposal, minimum points must be achieved for each Technical Proposal component as also reflected in the chart below.

Technical Proposal Scoring

Technical Proposal Component	Point Value of Component	Minimum Point Value (must be achieved to pass Stage 2)
Bidder's Background	10	7
Knowledge and Experience	25	20
Work Plan	25	20
Administration and Personnel	10	7
TOTAL Technical Proposal	70	54

The Evaluation Panel will use the following criteria to score each of the technical proposal components:

1. Bidder's Background 10 points.

Bidder's current business status, business activities, staff and funding are identified and appear to be stable and appropriate.

2. Knowledge and Experience 25 points.

The bidder's knowledge and experience in Medi-Cal specialty mental health services funding; the realignment of funds to counties for health, mental health, and social services; budget analysis; cost-benefit analysis; economic analysis; and other related fiscal services as described in the RFP are clearly presented and appropriate including bidder's ability to:

- a. Define and quantify the problem for the projects identify by DMH.

- b. Conduct budget analysis, cost-benefits analysis, economic analysis and other fiscal related services on a program and/or department basis for mental health managed care and realignment.
- c. Develop/produce cost effectiveness documentation and financial reports for DMH, as needed, for the Medi-Cal mental health managed care program and realignment.
- d. Consult with DMH and other stakeholders regarding the methodology for allocating managed care funds to counties.
- e. Assist DMH in analyzing fiscal issues related to waiver programs, allocations to counties, Early and Periodic Screening, Diagnosis and Treatment (EPSDT) funding, calculating statewide maximum allowances, analysis of cost effectiveness, revising existing manuals and state budget process, etc.
- f. Provide quality control for fiscal calculations performed by DMH staff.
- g. Analyze costs associated with information in county mental health department budgets in relation to realignment funding.
- h. Assist DMH in identifying and analyzing issues related to realignment funding.
- i. Assess the nature and extent of the problem(s), assess the particular features of the policy situation being analyzed and assess policies thought to have worked effectively in a situation similar to that being analyzed.
- j. Determine, develop and collect data needed to perform effective budget analysis, cost-benefit analysis, and economic analysis.
- k. Draw conclusions from raw data and provide appropriate recommendations to DMH.
- l. Consider policy options, alternate courses of action, strategies of intervention to solve or mitigate the problem.
- m. Consult with advisory stakeholder groups and professionals to advise DMH on fiscal impacts.
- n. Prepare detailed reports that include an executive summary, narrative, tables, conclusions and recommendations.

3. Bidder's Work Plan 25 points.

The Work plan demonstrates how the bidder intends to:

- a. Define and quantify the problem statement on projects specified by DMH.
- b. Conduct budget analysis, cost-benefits analysis, economic analysis and other fiscal related services on a program and/or department basis for mental health managed care and realignment.
- c. Develop cost effectiveness documentation and financial reports for DMH, as needed, for the Medi-Cal mental health managed care program.
- d. Consult with DMH regarding the methodology for allocating managed care funds to counties.
- e. Assist DMH in analyzing other fiscal issues related to waiver programs, allocations to counties, EPSDT funding, calculating statewide maximum allowances, analysis of cost effectiveness, revising existing manuals and state budget process, etc.
- f. Provide quality control for fiscal calculations performed by DMH staff.
- g. Analyze costs associated with information in county mental health department budgets in relation to realignment funding.
- h. Assist DMH in identifying and analyzing issues related to realignment funding.
- i. Gather, extract and analyze the necessary data to perform the effective budget analysis, cost-benefit analysis, economic analysis, and other economic analysis as required in the RFP.
- j. Develop and provide detailed written reports that summarize all activity associated with work on the analyses.
- k. Write detailed reports to the Legislature, when appropriate, that include an executive summary, narrative, tables, recommendations, and conclusions.
- l. Consult with DMH and other stakeholders to finalize the choice of assessment and evaluation tools needed for the analyses.

4. Administration and Personnel 10 points.

- a. Bidder's description of the use of personnel, their functions, qualifications and recruitment plans as appropriate and responsive to the requirements as described in the RFP. A description of work to be completed by staff and staff qualifications are provided, including complete descriptions of any subcontracts, where applicable.
- b. Bidder provides clear information on previous and current government funding and the services provided. Bidder provides adequate explanation of cessation of funding, if it occurred. For informational purposes only. No points.

Stage 3- Evaluation of Cost Proposal

- 1) After the Technical Proposal scoring is complete, responsive proposals will be evaluated on the basis of cost. A maximum of 30 points may be awarded for the cost proposal.
- 2) The proposal offering the lowest total cost earns the maximum of 30 points. The remaining proposals earn cost proposal points through a cost conversion formula shown below. Final calculations shall result in numbers rounded to two decimal places.

$$\text{Lowest Cost Proposal} \div \text{Another Cost Proposal} \times 30 = \text{Cost Points Earned}$$

- 3) Example for Illustration Purposes:

Lowest cost earns 30 points.

$$\begin{aligned} &\$100,000 \text{ (lowest cost proposal)} \div \$125,000 \text{ (another cost proposal)} = .80 \\ &.80 \times 30 \text{ points} = 24 \text{ points (total cost proposal points of another bidder)} \end{aligned}$$

Stage 4- Combining Technical Proposal and Cost Proposal Scores

- 1) DMH will combine the technical proposal points to the cost proposal points earned and will tentatively identify the entity with the highest combined proposal score from each of the earlier evaluation stages.

Stage 5- Adjustments to Score Calculations for Bidding Preferences

- 1) DMH will determine and confirm which entities, if any, are eligible to receive a bidding preference (i.e., small business).

- 2) To confirm the identity of the highest scored responsible bidder, DMH will calculate the preference points for applicable claimed preference(s) and will readjust the total score of those bidders eligible for bidding preferences. DMH will apply preference adjustments to eligible bidders according to State regulations following verification of eligibility with the appropriate office of the Department of General Services.

An award, if made, will be made to the highest scoring proposal.

G. PROTEST PROCEDURES

If, prior to the award, any bidder files a protest with DMH against the awarding of the contract, the contract shall not be awarded until either the protest has been withdrawn or the DMH has decided the matter (PCC, Section 10345).

Protests must be received at each of the addresses stated below not later than five (5) working days (postmarked date) after the "Notice of Intent to Award" has been posted.

Department of General Services Office of Legal Services 707 Third Street, 7 th Floor West Sacramento, California 95605	Department of Mental Health Contracts Unit 1600 9 th Street, Room 150 Sacramento, CA 95814
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Protests shall be limited to the following grounds:

- DMH failed to follow the procedures specified in subdivision (c) of the PCC, Section 10344.
- DMH failed to apply the standards for reviewing the format requirements or evaluating the proposals correctly as specified in the RFP.
- DMH used the evaluation and selection procedure in subdivision (c) of the PPC, Section 10344, but is proposing to award the contract to a bidder other than the highest responsive bidder score.
- DMH used the evaluation and selection procedure in subdivision (c) of the PPC Section 10344, but failed to follow the methods for evaluating and scoring the proposals specified in the RFP.

III. GENERAL OVERVIEW

As the State began to move towards managed care in the delivery of physical health services to the Medi-Cal population, one of the driving forces was to design a system which would integrate and coordinate care. This led to the plan to consolidate the two Medi-Cal funding streams for mental health services that existed prior to the advent of managed care for mental health services.

Implementing managed care for mental health services was designed to provide a cost containment strategy that would allow a prudent purchaser of services to obtain maximum benefit for its expenditures at the same time allowing for increased access to specialty mental health services within the same level of funding. Consolidating the two mental health funding streams helped achieve this by improving care coordination and reducing administrative costs. In addition, consolidating services assured consistent statewide access to persons receiving specialty mental health services.

The decision to provide specialty mental health services in California through a single plan in each county logically followed the decision to carve out Medi-Cal specialty mental health services and to consolidate the two mental health delivery systems and various funding streams. This decision necessitated a "freedom of choice" waiver from Centers for Medicare and Medicaid Services (CMS). This waiver allowed California to have a single plan model whereby beneficiaries in need of specialty mental health services have one plan available in each county as opposed to the more traditional managed care model of a choice of at least two plans in each locality from which beneficiaries might choose.

The selection of county mental health departments to be the single managed care plan for consolidated Medi-Cal specialty mental health services was a natural outgrowth of the extensive experience counties have had in serving the mental health needs of communities. County mental health departments were given the "first right of refusal" in choosing to be the mental health plan (MHP) for the county. All counties in California chose to become the MHP for their beneficiaries, although there are provisions to choose another entity to be the MHP if a county chose not to assume that role. Two counties chose to partner with another county to be the MHP.

The Medi-Cal Specialty Mental Health Services Consolidation program began in January 1995 with county mental health departments taking on responsibility for authorization and payment of all Medi-Cal covered psychiatric inpatient hospital services for beneficiaries in the county (three counties field tested slightly different models). Previously, county mental health departments had managed psychiatric inpatient hospital services only at county hospitals or hospitals under contract to the county. All other psychiatric inpatient hospital services had been managed by the Department of Health Services (DHS) through the regular Medi-Cal program.

Between November 1997 and July 1998, county mental health departments in their role as Medi-Cal MHPs assumed responsibility for inpatient hospital and outpatient specialty mental health professional services in addition to their previous responsibility to provide psychiatric inpatient hospital services, rehabilitative mental health services and targeted case management. The specialty mental health services program continues to operate under a federal freedom of choice waiver originally approved in May 1995 and renewed in September 1997, November 2001 and April 2003. Field tests remain in two counties.

Under the waiver program each MHP contracts with DMH to provide medically necessary specialty mental health services to the Medi-Cal beneficiaries of the county and is governed by federal and state regulations. MHPs select and credential their provider network, negotiate rates, authorize services and provide payment for services rendered by specialty mental health providers in accordance with statewide criteria. Medi-Cal beneficiaries must receive Medi-Cal reimbursed specialty mental health services through the MHPs.

MHP coverage of a specialty mental health service requires that several criteria be met. The beneficiary must meet the medical necessity criteria for specialty mental health services, which consist of covered diagnoses and functional impairment and intervention criteria. The services must be delivered by or under the direction of a mental health professional. The services must also be mental health services, for example, medication management of psychotropic medications, individual therapy, and psychological testing. A distinction is made between specialty mental health care (those services requiring the services of a specialist in mental health) and general mental health care needs (those needs which could be met by a general health care practitioner, such as a primary care physician). General mental health care needs for Medi-Cal beneficiaries remain under the purview of DHS either through their Medi-Cal physical health care managed care plans or through the regular Medi-Cal program.

A. DUTIES OF THE SYSTEMS OF CARE FISCAL CONSULTANT

The Systems of Care Fiscal Consultant (Consultant) will assist the DMH with fiscal analyses related to the statewide specialty mental health managed care program and other mental health related programs. DMH will identify a variety of projects and the time frame for completion of each project. Projects will require budget analysis, cost-benefit analysis, economic analysis and other related fiscal services on a program and/or department basis. It is estimated that the contract term will begin July 1, 2005 and will expire June 30, 2008. The terms of the contract are contingent upon the availability of funds. Payment for completed services will be based on a flat hourly rate, plus expenses as specified in the RFP. The base of operation for the project will be in the city of Sacramento, California.

B. DELIVERABLES AND TIMELINESS

DMH and the Consultant shall develop a priority list of the duties to be performed within specified timelines and the funds available. Consultant will submit a work authorization for each project to the Contract Manager. Work authorizations will include background of the project, objectives to be met, task descriptions and deliverables, schedule, and estimated project budget. Specific project activities to be performed include the following:

MANAGED CARE WAIVER PROGRAM

The Consultant will:

- a. Develop cost effectiveness documentation and financial reports for DMH, as needed, for the Medi-Cal specialty mental health managed care program.
- b. Consult with DMH regarding the methodology for allocating managed care funds to counties.
- c. Assist DMH in analyzing other fiscal issues related to waiver programs, allocations to counties, EPSDT funding, calculating statewide maximum allowances, analysis of cost effectiveness, implementation of regulations, revising existing manuals and state budget process, etc.
- d. Provide quality control for fiscal calculations performed by DMH staff.

REALIGNMENT

The Consultant will assist DMH in identifying and analyzing issues related to realignment funding.

C. MANAGEMENT OF PROJECTS

DMH reserves the right to use and reproduce all reports and data produced and delivered pursuant to this contract. DMH reserves the right to authorize others to use or reproduce such materials, provided the author of the reports is acknowledged in any such use of reproduction.

DMH and the Consultant shall develop a general work authorization, work authorizations, and task assignments based on the projects described in the RFP.

A general work authorization means a written instrument agreed to by the Contract Manager and the Consultant that (1) allows the Consultant to carry out preliminary

work including reviewing, commenting on, scheduling and budgeting for proposed work authorizations prior to finalization and (2) allows DMH to authorize specific minor tasks that do not require a separate work authorization.

A work authorization means a written instrument describing a project assignment within the contract with a specific objective, schedule and budget that is agreed to in writing by the Contract Manager and the Consultant.

A task assignment means a written instrument issued to the Consultant by the Contract Manager authorizing work under the general work authorization.

When expedience is of the utmost importance, the Contract Manager may verbally authorize the Consultant to begin work on a project, following up with a written authorization.

Each work authorization shall contain:

- A statement of the purpose, objective or goal of the work authorization.
- A schedule displaying the dates when specific tasks will be completed and a description of all significant material (deliverables) to be developed and delivered by the Consultant to the Contract Manager.
- An identification of all materials to be furnished to the Consultant by the DMH.
- A budget showing the maximum billable hours anticipated for completion of the work authorization consistent with the invoicing requirements in Part III, Section D below.

DMH will provide the Consultant with Medi-Cal data in a format agreed to between the Consultant and DMH and will provide departmental staff to assist in the creation of data models to be analyzed by the Consultant.

DMH reserves the right to require the Consultant, upon one day written notice from the Contract Manager, to stop or suspend work on any work authorization or task assignment.

The actual costs of a completed work authorization or task assignment shall not exceed the authorized amount unless, in the performance of the work, the Consultant determines that the actual costs will exceed the estimated costs. In that event, the Consultant shall immediately notify the Contract Manager.

Upon such notification, the Contract Manager may:

- Alter the scope of the work authorization or task assignment to accomplish the work within estimated costs;
- Augment the work authorization budget;
- Authorize the Consultant to complete the task assignment for the actual costs; or
- Terminate the work authorization or task assignment.

D. INVOICING REQUIREMENTS

Invoices shall be submitted for each project and must include the time period covered, the hours worked identified by individual consultant, the hourly rates, per diem and travel expenses by individual with related documentation, a description of the work performed, the contract number and an original signature. Invoices shall be submitted to the Contract Manager at: Department of Mental Health, 1600 9th Street, Room 100, Sacramento, CA. 95814. The duties performed under this RFP shall not include information technology consulting services, the design and development of electronic data processing systems, or software design.

E. TRAVEL TO MULTIPLE LOCATIONS

Consultant will attend planning meetings conducted by DMH, DHS, CMS, and other appropriate agencies and stakeholder groups as directed by DMH. Reimbursement for travel and per diem will not exceed amounts paid to the State's non-represented employees. Travel and per diem expenses must be pre-authorized, and will only include expenses to sites that are not located in the city of Sacramento, California.

IV. BIDDER'S WORK PLAN COMPONENTS AND FORMAT (Attachment 3)

The work plan must be in ink or typewritten. To the extent possible, use font size of 12 point. Margins should be at least one-half inch. Paper size should be standard letter size 8 1/2 by 11 inches. No erasures are permitted. Errors may be crossed out and corrections printed in ink or typewritten adjacent to the error. The person signing the proposal must initial the corrections in ink.

A. TITLE PAGE:

Include a title page that provides the following information: The name of your business; the business' address, telephone numbers and fax numbers; the

business' federal tax identification number; the name of the chief executive officer; the name of the contact person; the contact person's phone number and e-mail address; and the date the proposal is submitted.

B. EXECUTIVE SUMMARY:

Describe in no more than two (2) typewritten double-spaced pages the following:

- The highlights of your proposal/work plan
- A brief description of your business
- The objectives to be met
- The methods proposed to meet the objectives

C. WORK PLAN:

Describe in no more than eight (8) typewritten double-spaced pages your business and your proposed operations as it relates to the Systems of Care Fiscal Consultant. Neither the attachments nor the budget information count in this total.

V. COST PROPOSAL, BUDGET AND BUDGET NARRATIVE (Attachment 4):

Provide a cost proposal, budget, and budget narrative that covers the periods of the contract from July 1, 2005 through June 30, 2008. Budget amounts must be tied to the your work PLAN as required in Part IV, Section C.

The cost proposal, budget, and budget narrative must not to exceed the \$100,000 per State fiscal year maximum contract amount. Any proposals exceeding this amount will be rejected.

The cost proposal, budget, and the budget narrative will take into consideration the Deliverables and Timelines specified in Part III, Section B. The budget must be accompanied by a detailed narrative for the following categories:

- **Personnel Expenses:** List each position separately with its salary and percentage of time on this project. Indicate the benefits, if any, for each position.
- **Operating Expenses:** List expenses for occupancy, supplies, general office operations, telephone, postage, furniture and equipment, computer equipment and related items, travel and other items.

- **Subcontract Expenses:** List the type and specify the costs for all subcontracted services including consultants or professional services that bidder intends to retain. Subcontractors include any persons/firms performing contract services that are not on the bidder's payroll.

VI. SMALL BUSINESS PREFERENCE

Small Business Preference applies to this RFP. Please see www.pd.dgs.ca.gov.

This website provides information and procedures for bidders who wish to apply for the Small Business Preference Program. Please note that although participation in this preference program is optional, **all** bidders must complete and submit Attachment 12, "Small Business Preference" form.

Bidders that are certified as a small business in California are encouraged to apply for this RFP. In addition, per new Small Business Preference regulations, prime contractors who subcontract with a certified small business for not less than 25% of the total contract are eligible for small business preference.

VII. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Health Insurance Portability and Accountability Act (HIPAA) Business Associate Provisions shall be included in the awarded agreement as Exhibit E. Except as otherwise provided in the HIPAA Business Associate Provisions, the Consultant, hereafter known as the Business Associate, may use or disclose protected health information to perform functions, activities or services for or on behalf of the DMH, as specified in this agreement, provided that such use or disclosure would not violate HIPAA, U.S.C. 1320d et seq., and its implementing regulations including but not limited to 45 C.F.R. Parts 142, 160, 162, and 164, hereafter know as the Privacy Rule. The uses and disclosures of PHI may not be more expansive than those applicable to the DMH under the regulations except as authorized for management, administrative or legal responsibilities of the Business Associate.

The Business Associate shall comply with, and assist DMH in complying with, the privacy requirements of HIPAA. Terms used but not otherwise defined in the HIPAA Business Associate Provisions shall have the same meaning as those terms used in the Privacy Rule.

If DMH becomes aware of a pattern of activity that violates HIPAA Business Associate Provisions and reasonable steps to cure the violation are unsuccessful, DMH must terminate the contract; or if not feasible, report the problem to the Secretary of the U.S.

Department of Health and Human Services. Please refer to Exhibit E in the Sample Standard Agreement attached to this RFP for more information.

VIII. REQUIRED ATTACHMENTS

A complete proposal response will contain the following completed attachments:

Attachment 1: Required attachments check list

Attachment 2: All bidders shall complete the Proposal/Proposer Certification Sheet

Attachment 3: All bidders shall submit a proposal conforming to the requirements set forth in Section IV, "Bidder's Work Plan Components & Format."

Attachment 4: All bidders shall submit a Cost Proposal that identifies the all-inclusive daily rate for services. In addition a detailed budget and budget narrative must accompany the Cost Proposal.

Attachment 5: All bidders shall submit a Statement of Qualifications, resume or curriculum vitae for all individuals who will work on the project. If the person who will serve as the primary Fiscal Consultant has not been identified, include a job description for the position.

Attachment 6: All bidders shall submit letters of references from previous agencies and/or organizations for which the bidder has performed similar duties as required by this RFP. In addition, the bidder shall utilize the Proposer References form to provide contact information for the agencies/organizations providing the letters of reference. Attach a release to enable the DMH to contact the listed agencies/organizations.

Attachment 7: Submit copies of any record or action by the applicant agency's Board of Directors or organization's owners specifically authorizing the submission of a proposal to perform the duties as the Systems of Care Fiscal Consultant.

Attachment 8: Submit documents showing existing relationships or working agreements with service providers with whom you intend to subcontract. The DMH will consider the prime contractor to be the sole point of contact with regard to this RFP. No subcontract may be entered into without the review and prior approval of DMH.

Attachment 9: All bidders must provide at least one (1) sample of work from a similar project. The sample should include copies of the analyses, timelines, work plans, progress updates, final report, etc.

Attachment 10: All bidders must submit evidence of financial stability and document sufficient financial resources necessary to perform all services associated with the contract. This requirement may be fulfilled in one of the following ways:

- Financial statements for each of the last three years audited by an independent third-party Certified Public Accountant. All noted audit exceptions must be explained.
- If audited statements are not available, DMH will accept statements that have been reviewed by a Certified Public Accountant.
- If neither audited nor reviewed financial statements are prepared, DMH will accept financial statements that have been compiled by the applicant's accounting firm.
- If neither audited, reviewed, nor compiled statements are normally prepared by the agency, DMH will accept financial statements prepared by the applicant's internal accounting department.

These statements must be accompanied by a statement signed by the applicant's Chief Financial Officer, certifying that the financial statements are current, accurate, and complete.

Financial statements must include income statements and balance sheets. Financial statements must be completed based on final (not draft) reports and cannot be supported by unreasonably qualified statements. Also, include in this section a statement, signed by either an independent third-party Certified Public Accountant or the applicant's Chief Financial Officer, that the applicant agency operated in accordance with Generally Accepted Accounting Principles (GAAP).

Attachment 11: The applicant, and/or any key project partner, must identify any past history of bankruptcy, receivership, failure to fulfill contract, criminal or legal action for the past five years. Provide a description of said past history and the current status.

Attachment 12: All bidders must submit a completed a Small Business Preference form. Contractors that are certified as a small business in California are strongly encouraged to apply.

Attachment 13: Payee Data Record (STD 204) is not required with the proposal package. However, it is required upon award of the contract. A copy is provided for informational purposes only.

Attachment 14: Contractor's Certification Clauses (CCC-304A) are not required with the proposal package. However, it is required upon award of the contract. A copy is provided for informational purposes only.

IX. SAMPLE STANDARD AGREEMENT

Attached to this RFP, is a sample Standard Agreement, a version of which will be signed by the bidder awarded a contract.

ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

A complete proposal or proposal package will consist of the items identified below. Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the State.

For your proposal to be responsive, all required attachments must be returned with your proposal. This checklist must be returned with your proposal package.

<u>Attachment</u>	<u>Attachment Name/Description</u>
_____ Attachment 1	Required Attachment Check List
_____ Attachment 2	Proposal/Proposer Certification Sheet
_____ Attachment 3	Bidder's Work Plan
_____ Attachment 4	Cost Proposal, Budget, and Budget Narrative
_____ Attachment 5	Statement of Qualifications, resume or curriculum vitae for all individuals who will work on the project. If the person who will serve as the primary Fiscal Consultant has not been identified, include a job description for the position.
_____ Attachment 6	Proposer References and Corresponding Letters of Reference
_____ Attachment 7	Records of action by the applicant agency's Board of Directors or organization's owners specifically authorizing the submission of a proposal to perform the duties as the Systems of Care Fiscal Consultant
_____ Attachment 8	Documents showing existing relationships or working agreements with service providers with whom the applicant intends to subcontract
_____ Attachment 9	Sample of work from a similar project.
_____ Attachment 10	Evidence of financial stability and document sufficient financial resources necessary to perform all services associated with this contract.
_____ Attachment 11	Identify for the applicant and/or any key project partner, any past history of bankruptcy, receivership, failure to fulfill contract, criminal or legal action for the past five years. Provide a description of said past history and the current status.
_____ Attachment 12	Small Business Preference Form
_____ Attachment 13	Payee Data Record (STD 204) (if currently not on file)**
_____ Attachment 14	Contractor Certification Clauses (CCC)** The CCC also known as (CCC-304a) can also be found on the Internet at www.ols.dgs.ca.gov/Standard+Language .

**These documents are not required with Proposal package but are required upon award of the contract. The documents are provided for informational purposes only.

ATTACHMENT 2

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

Do not return the sample "Standard Agreement" (STD 213) with this RFP.

- A. Place all required attachments behind this certification sheet.
- B. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

An Unsigned Proposal/Proposer Certification Sheet May Be Cause For Rejection

1. Company Name	2. Telephone Number ()	2a. Fax Number ()
3. Address		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. Proposer's Name (Print)		11. Title
12. Signature		13. Date
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:		
a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____		
b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____		
NOTE: A copy of your Certification is required to be included if either of the above items is checked "Yes".		
Date application was submitted to OSBCR, if an application is pending:		

COMPLETION INSTRUCTIONS FOR PROPOSAL/PROPOSER CERTIFICATION SHEET

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

ATTACHMENT 3

BIDDER'S WORK PLAN

All bidders shall submit a work plan conforming to the requirements set forth in Section IV, "Bidder's Work Plan Components & Format."

ATTACHMENT 4

COST PROPOSAL, BUDGET & BUDGET NARRATIVE

Cost Proposal Worksheet (utilize the format below to submit your cost proposal)

The consultant will be paid at an all-inclusive daily rate of \$_____ per day. The all-inclusive daily rate includes all the expenses necessary to carry out budget analysis, cost-benefits analysis, economic analysis and other fiscal related services specified in the contract, such as, but not limited to, the consultant's travel time, travel expenses, per diem; and any other employee and support time expenses.

The typical duration of a single budget analysis, cost benefit analysis, economic analysis as described in the scope of work is _____day(s) for total amount of \$_____. The number of days to be used during the contract year will be based on program need and market demand.

Budget Detail and Budget Narrative

Provide a budget and budget narrative that covers the periods of the contract from July 1, 2005 through June 30, 2008. Budget amounts must be tied to the your work plan as required in Part IV, Section C.

The budget, and budget narrative must not to exceed the \$100,000 per State fiscal year maximum contract amount. Any proposals exceeding this amount will be rejected.

The cost proposal, budget, and the budget narrative will take into consideration the Deliverables and Timelines specified in Part III, Section B. The budget must be accompanied by a detailed narrative for the following categories:

- **Personnel Expenses:** List each position separately with its salary and percentage of time on this project. Indicate the benefits, if any, for each position.
- **Operating Expenses:** List expenses for occupancy, supplies, general office operations, telephone, postage, furniture and equipment, computer equipment and related items, travel and other items.
- **Subcontract Expenses:** List the type and specify the costs for all subcontracted services including consultants or professional services that bidder intends to retain. Subcontractors include any persons/firms performing contract services that are not on the bidder's payroll.

ATTACHMENT 5

STATEMENT OF QUALIFICATIONS, RESUME OR CURRICULUM VITAE

All bidders shall submit a Statement of Qualifications, resume or curriculum vitae for all individuals who will work on the project. If the person who will serve as the primary Fiscal Consultant has not been identified, include a job description for the position.

ATTACHMENT 6

PROPOSER REFERENCES & CORRESPONDING LETTERS OF REFERENCE

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract. If three references cannot be provided, please explain why on an attached sheet of paper. In addition, the bidder shall submit corresponding letters of reference from the individuals/organizations cited on this form.

REFERENCE 1

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 7

AUTHORIZATION OF PROPOSAL SUBMISSION

Submit copies of any record or action by the applicant agency's Board of Directors or organization's owners specifically authorizing the submission of a proposal to perform the duties as the Systems of Care Fiscal Consultant.

ATTACHMENT 8

SUBCONTRACTOR DOCUMENTATION

Submit documents showing existing relationships or working agreements with service providers with whom you intend to subcontract. The DMH will consider the prime contractor to be the sole point of contact with regard to this RFP. No subcontract may be entered into without the review and prior approval of DMH.

ATTACHMENT 9

SAMPLE(S) OF WORK

All bidders must provide at least one (1) sample of work from a similar project. The sample should include copies of the analyses, timelines, work plans, progress updates, final report, etc.

ATTACHMENT 10

EVIDENCE OF FINANCIAL STABILITY

All bidders must submit evidence of financial stability and document sufficient financial resources necessary to perform all services associated with the contract. This requirement may be fulfilled in one of the following ways:

- Financial statements for each of the last three years audited by an independent third-party Certified Public Accountant. All noted audit exceptions must be explained.
- If audited statements are not available, DMH will accept statements that have been reviewed by a Certified Public Accountant.
- If neither audited nor reviewed financial statements are prepared, DMH will accept financial statements that have been compiled by the applicant's accounting firm.
- If neither audited, reviewed, nor compiled statements are normally prepared by the agency, DMH will accept financial statements prepared by the applicant's internal accounting department.

These statements must be accompanied by a statement signed by the applicant's Chief Financial Officer, certifying that the financial statements are current, accurate, and complete.

Financial statements must include income statements and balance sheets. Financial statements must be completed based on final (not draft) reports and cannot be supported by unreasonably qualified statements. Also, include in this section a statement, signed by either an independent third-party Certified Public Accountant or the applicant's Chief Financial Officer, that the applicant agency operated in accordance with Generally Accepted Accounting Principles (GAAP).

ATTACHMENT 11

APPLICANT AND/OR KEY PARTNER PAST HISTORY/CURRENT STATUS

The applicant, and/or any key project partner, must identify any past history of bankruptcy, receivership, failure to fulfill contract, criminal or legal action for the past five years. Provide a description of said past history and the current status.

ATTACHMENT 12

SMALL BUSINESS PREFERENCE

Section 14835, ET. Seq. Of the California Government Code requires that a five percent (5%) preference be given to bidders who qualify as a small business. The rules and regulations of this law, including the definition of a small business for the delivery of services, are contained in Title 2, California Administrative Code, Section 1896, et. seq. A copy of the regulations is available on request. To claim the Small Business Preference, which may not exceed \$50,000 for any bid, your firm or your designated subcontractor must have its principal place of business located in California and be verified by the State Office of Small Business and DVBE Services. Questions regarding the preference approval should be directed to that office at (800) 559-5529 or (916) 375-4940.

Please complete this form and return with your proposal.

Are you claiming preference as a small business?

(☐) YES (☐) NO

Are you subcontracting not less than 25% of the total contract to a small business?

(☐) YES (☐) NO

Primary contractor or sub-contractor Small Business Number

Name of CONTRACTOR/Organization

Street Address, City, State, Zip Code

Today's Date